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## **Thailand**

### **Rice Price - Weekly**

### **Weekly Rice Price Update**

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**Report Highlights:**

TH0014 Export prices continued declining by 1.0 percent due to quiet foreign demand and the weakening Thai baht. The Government has yet to accept bid prices from last week's tender due to low offers, and is likely to renegotiate the price of white rice with exporters under the tender's guidelines.

**Post:**

Bangkok

## Market Tone

**Table 1: Export Prices (F O B) for various grades of Thai rice (USD/MT), Week ending Jan. 25, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,010	-	990	-	1,000	980	-	995	995
WR 100 B	590	-	605	-	590	585	600	594	595
PB 100%	605	-	620	-	610	605	610	610	613
PB 5%	595	-	610	-	600	600	600	601	604
WR 5%	555	-	570	-	560	555	590	566	568
WR 10%	545	-	560	-	550	545	-	550	555
WR 15%	520	-	550	-	-	525	-	532	533
WR 25%	500	-	510	-	-	510	-	507	508
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	415	-	-	-	430	415	-	420	422
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.9 baht/US \$

Source: Average actual prices received from exporters

Despite the rumor of the government's refusal to award a contract on the old-crop intervention stock tender last week, domestic and export prices continued to decline slightly by 1.0 percent, as quiet foreign demand and the weakening Thai baht to 32.9 baht/\$ from 32.7baht/\$ offset expectations of tighter supplies. Although the Cabinet received the bid results of last week's tender, it did not award contracts during its weekly meeting, as the bidding prices of white rice remained 1,000 baht/ton (\$30/MT) or 5-10 percent lower than current market prices. This after The Ministry of Commerce negotiated with exporters for higher prices last Friday, in accordance to the tender's provisions. There's some expectation that Government authorities and exporters will likely renegotiate prices for white rice again this week. Meanwhile, the tender for glutinous rice will likely be cancelled as offers came in 30 percent lower than market prices. Some exporters who participated in the tender are not interested in the renegotiation due to limited new enquiries for white rice from foreign buyers. Current enquiries are dominated by parboiled rice from African countries.

**The Bidding Prices of the Government stock tender for exports on Jan. 21, 2010**

Quality	Crop	Ton	Bidding Price (Baht/ton)
<b>White rice</b>			
5% grade	MY2007/08 second crop	101,742.82	14,550 - 16,206
5% grade	MY2008/09 main crop	100,507.80	14,550 - 16,207
5% grade	MY2008/09 second crop	101,003.07	15,300 - 16,210
<b>Total</b>		<b>303,253.69</b>	
<b>Glutinous rice</b>			
10% grade	MY2008/09 main crop	<b>75,949.46</b>	10,000 - 17,110
<b>Grand total</b>		<b>379,203.15</b>	

Source: Department of Foreign Trade

The bi-weekly benchmark prices for January 16-31, 2010 are higher than insured prices for most grades of rice, resulting in farmers receiving no compensation for this period, except for those selling fragrant rice which will receive a compensation of 227 baht/ton (\$7/MT). In addition, market prices of

white rice paddy in this period are currently higher than insured prices as dwindling supplies of main crop are entering the market as the harvesting season is coming to an end.

**Table 2: Price Insurance Scheme for MY2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>u</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>u</sup>	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>u</sup>					
Oct. 1-15, 2009	14,986	13,899	9,896	7,523	8,806
Oct. 16-31, 2009	14,940	13,860	8,940	7,470	8,466
Nov. 1-15, 2009	14,840	13,729	9,175	7,680	8,389
Nov. 16-30, 2009	13,002	12,620	10,501	8,473	8,914
Dec. 1-15, 2009	13,720	13,388	10,565	9,591	9,242
Dec. 16-31, 2009	14,895	14,503	12,072	11,533	10,212
Jan. 1-15, 2010	15,369	14,757	12,198	11,706	10,072
Jan. 16-31, 2010	15,073	14,548	12,076	11,486	10,164
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15, 2009	314	401	104	1,977	1,194
Oct. 16-31, 2009	360	440	1,060	2,030	1,534
Nov. 1-15, 2009	460	571	825	1,820	1,611
Nov. 16-30, 2009	2,298	1,680	-	1,027	1,086
Dec. 1-15, 2009	1,580	912	-	-	758
Dec. 16-31, 2009	405	-	-	-	-
Jan. 1-15, 2010	-	-	-	-	-
Jan. 16-31, 2010	227	-	-	-	-
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525
Nov. 16-30	14,577	14,000	10,550	8,967	9,600
Dec. 1-15	15,125	14,000	12,050	11,500	10,738
Dec. 16-31	15,250	14,000	12,200	11,800	10,310
Jan. 1-15	15,250	14,000	11,850	11,775	9,350
Jan. 16-31 <sup>u</sup>	15,250	14,000	11,850	11,750	10,250

Note:

<sup>u</sup> Cabinet approval on Sep. 22, 2009

<sup>u</sup> The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

<sup>u</sup> As of Jan. 25, 10

## Rice Exports Update

Unofficial rice exports (excluding fragrant rice) for January 18-24, 2010 totaled 137,308 tons, down 34,541 tons from the previous week, and up 31,944 tons from the four-week moving average of 31,944 tons. Exports of white rice and parboiled rice during January 1-24, 2010 totaled 421,756 tons, up 19.5

percent from 352,595 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – 15, 2010 amounted to 337,007 tons, up 37.3 percent from 245,454 tons in the previous year.

**Table 3: Weekly rice exports (excluding fragrant rice)**

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2
Nov 22	113,768	108,568	5,350	7,047	-24.1
Nov 29	75,104	98,789	5,426	7,101	-23.6
Dec 6	80,501	95,418	5,506	7,170	-23.2
Dec 13	116,586	96,490	5,623	7,258	-22.5
Dec 20	120,454	98,161	5,743	7,348	-21.8
Dec 27	126,910	111,113	5,870	7,453	-21.2
Dec 31, 2009	25,812	97,440	5,900	7,470	-21.1
Jan 3, 2010	1,000	-	1	3	-68.0
Jan 10	111,299	-	112	85	32.6
Jan 17	171,849	-	284	211	34.8
Jan 24	137,308	105,364	422	353	19.5

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data*

Source: Board of Trade of Thailand

**Table 4: Weekly private registered rice export sales**

Movement (MT)	Jan. 4-8, 2010	Jan. 11-15 (Revised)	Jan. 18-22
Weekly sales	182,336	158,714	172,418
4 week sum	-	-	-
4 week mov. avg.	-	-	-
Total weekly sales	182,336	341,050	513,468

End of report.